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AMERICAN AUTOMOBILE ASSOCIATION, INC.

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

AMERICAN AUTOMOBILE
ASSOCIATION, INC.,

Plaintiff,

v.

SERVICEMASTER RESTORE BY AAA

and

SERVICEMASTER GLOBAL HOLDINGS,
INC.,

Defendant.

Case No.: 2:17-cv-01267-PMW

**COMPLAINT FOR SERVICE MARK
INFRINGEMENT, UNFAIR COMPETITION,
DILUTION, DECEPTIVE TRADE
PRACTICES, INJUNCTIVE RELIEF, AND
DAMAGES**

Introduction

Plaintiff, AMERICAN AUTOMOBILE ASSOCIATION, INC. (“AAA”), for its complaint against Defendants SERVICEMASTER RESTORE BY AAA (“ServiceMaster Restore”) and SERVICEMASTER GLOBAL HOLDINGS, INC. (“ServiceMaster”), alleges and avers as follows:

Parties

1. AAA is a corporation organized and existing under the laws of the State of Connecticut, located and doing business at 1000 AAA Drive, Heathrow, Florida 32746.

2. On information and belief, ServiceMaster Restore is a corporation organized and existing under the laws of the State of Utah, located and doing business at 476 E. Riverside Drive, B4, St. George, UT 84790.

3. On information and belief, ServiceMaster is a corporation organized and existing under the laws of the State of Delaware, located and doing business at 860 Ridge Lake Blvd., Memphis, TN 38120.

Jurisdiction

4. This Court has subject matter jurisdiction pursuant to 15 U.S.C. § 1121, 28 U.S.C. 1331, and 28 U.S.C. 1338(a) because this action arises under the Lanham Act, 15 U.S.C. §§ 1114, 1125(a) and 1125(c). This Court has personal jurisdiction over Defendant ServiceMaster Restore who, upon information and belief, is incorporated in and conducts its business in the State of Utah. This Court has personal jurisdiction over Defendant ServiceMaster who, upon information and belief, has purposefully availed themselves to the benefits and protections of the State of Utah through their business relationship with ServiceMaster Restore.

Venue

5. Venue in this judicial district is proper under 28 U.S.C. § 1391(b), as ServiceMaster Restore has its principal place of business in this judicial district and all or a substantial part of the events giving rise to this action occurred in this judicial district.

Nature of the Case

6. AAA seeks injunctive relief, damages, attorney's fees, and costs against Defendants for service mark infringement under 15 U.S.C. § 1114(1)(a) and (b), for false designation of origin and/or sponsorship under 15 U.S.C. § 1125(a), for dilution under 15 U.S.C. § 1125(c), for Deceptive Trade Practices under Utah Code §§ 13-11a-1 et seq., and for Unfair Competition by Trademark Infringement under Utah Code §§ 13-5a-101 et seq.

Factual Allegations Common to All Counts

7. For more than 100 years AAA has been a leader in a number of service industries, including providing insurance for residential and commercial buildings, condominiums, automobiles, to name a few.

8. AAA uses numerous trademarks to identify its services, many of which are registered with the U.S. Patent and Trademark Office. U.S. Registration No. 829,265 is for AAA (the "AAA mark") in standard characters in, among others, international class 36 for, among other things, placing insurance with underwriters (i.e. insurance services).

9. The AAA mark is easily recognizable and distinguishes AAA and its authorized services. The public and those in the insurance industry recognize this mark as identifying services of AAA and the businesses that are affiliated with AAA. When AAA members are in need of insurance for their homes, automobiles, business, or other needs, they turn to AAA to fulfill that need. The AAA mark distinguishes businesses that are affiliated with AAA. Members of AAA as well as of the

1 general purchasing public know that with AAA and AAA affiliates they will be provided with high
2 quality services in the insurance industry. A copy of US registration No. 829,265 for the AAA mark
3 is attached as Exhibit A.

4 10. U.S. Registration No. 829,265 is valid, in force, and is incontestable.

5 11. AAA provides its services throughout the United States, including Utah, and specifically
6 in southern Utah through its Northern California, Nevada and Utah affiliate club. AAA service
7 facilities and businesses that are associated with AAA, such as those in Utah, are authorized to use
8 the AAA mark with their advertising or in association with their own trademarks and service marks
9 to designate their affiliation with AAA and to associate with the goodwill of AAA.
10

11 12. On information and belief, ServiceMaster Restore is a franchisee of ServiceMaster and
12 offers services that include fire, water, mold and smoke restoration.
13

14 13. On information and belief, ServiceMaster Restore has relationships with insurance agents
15 and insurance businesses, and from those relationships files claims on behalf of its clients and/or
16 assists its clients in filing insurance claims.

17 14. On information and belief, ServiceMaster Restore has registered and uses in conjunction
18 with its business the domain name utahrestorationbyaaa.com.

19 15. On information and belief, ServiceMaster provides franchising and franchisor services to
20 more than 1,900 businesses throughout North America from which it derives a financial benefit.
21

22 16. On information and belief, ServiceMaster's franchisees provide cleaning and disaster
23 restoration services under the oversight of Service Master.

24 17. On information and belief, ServiceMaster develops relationships with insurance agents
25 and insurance business for the benefit of its franchisees and their customers.
26

1 18. ServiceMaster Restore's use of "by AAA" is likely to cause consumer confusion as to the
2 source, affiliation and/or authorization of ServiceMaster Restore with AAA.

3 19. On information and belief, there has been actual confusion by members of AAA that are
4 located in southern Utah, in close proximity to ServiceMaster Restore, regarding ServiceMaster
5 Restore's association with AAA.
6

7 20. On information and belief, ServiceMaster has knowledge of ServiceMaster Restore's use
8 of "by AAA."

9 21. On information and belief, ServiceMaster exercises some control over its franchisees,
10 including the use trademarks and trade names.

11 22. On information and belief, ServiceMaster has approved and now condones ServiceMaster
12 Restore's use of "by AAA."
13

14 23. On information and belief, ServiceMaster has approved and now condones the use of "by
15 AAA" by franchisees other than ServiceMaster Restore.

16 24. On information and belief, Defendants knew or should have known that the use of "by
17 AAA" would cause a likelihood of perceived association with AAA and trade on the goodwill of
18 AAA.

19 25. On May 12, 2017, counsel for AAA sent a letter via e-mail and U.S. First Class Mail to
20 ServiceMaster Restore demanding that it cease and desist from any use of the AAA mark, including
21 use with the company name, store and vehicle signage, and all printed materials, and that it cancel its
22 utahrestorationbyaaa.com domain name registration.
23

24 26. On July 25, 2017, having received no response from Service Master Restore, counsel for
25 AAA sent a follow-up letter to ServiceMaster Restore via e-mail and U.S. First Class Mail, again
26

1 demanding that Service Master Restore cease all use of the AAA mark. ServiceMaster Restore did
2 not respond.

3 27. On August 29, 2017, counsel for AAA sent a letter to ServiceMaster asking it to instruct
4 its franchisees not to use the “by AAA” designation.

5 28. Despite repeated letters, e-mails and telephone calls to both Defendants, neither Defendant
6 has provided a substantive response to any inquiries on behalf of AAA.

7 29. At no time has AAA authorized Defendants to use the AAA mark.

8 30. On information and belief, at the time of filing this complaint, Defendants have not
9 complied with AAA’s demands, despite having constructive notice of AAA’s ownership of the
10 trademark because of its federal trademark registration and actual notice due to AAA’s prior
11 communications with Defendants.
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14 **FIRST CAUSE OF ACTION**
15 **Federal Service Mark Infringement**
Under 15 U.S.C. § 1114(1)(a) and (b)

16 31. AAA re-alleges and incorporates by reference paragraphs 1 through 30 above.

17 32. AAA’s registered service mark identified in Exhibit A is valid and subsisting and remains
18 in full force and effect as evidence of the validity thereof and of AAA’s ownership of the AAA mark
19 in connection with the services specified in the registration.
20

21 33. Since long prior to the acts complained of herein, members of the general consumer
22 population in the United States and its territories and around the world have recognized the AAA
23 mark as an exclusive source identifier for services originating from and/or associated with AAA.
24
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26

1 34. As a result of the long period of use and extensive advertisement and provision of services
2 under the AAA mark, members of the general consumer population in the United States recognize the
3 AAA mark as an exclusive source identifier for services originating from AAA.

4 35. Defendant ServiceMaster Restore's use of a confusingly similar mark in interstate
5 commerce in connection with its restoration services and with insurance claims is causing and will
6 continue to cause a likelihood of confusion, mistake, and deception with respect to: (a) the source and
7 origin of the services offered by Defendants; (b) the affiliation, connection, and association of AAA
8 with Defendants; and (c) AAA's sponsorship, approval, and/or control of the services offered under
9 the AAA mark, all in violation of 15 U.S.C. § 1114(1)(a) and (b).
10

11 36. Defendant ServiceMaster's control and approval, whether explicit or implied, of
12 Defendant ServiceMaster Restore's trademarks, specifically the use of "by AAA," renders it liable
13 for ServiceMaster Restore's infringing use of "by AAA," in violation of 15 U.S.C. § 1114(1)(a) and
14 (b).
15

16 37. On information and belief, Defendants are now committing the acts complained of above,
17 and have continued to do so, in defiance of AAA's request that they cease such acts.

18 38. On information and belief, Defendants' acts of service mark infringement in violation of
19 the Lanham Act have caused financial injury and damage to AAA and are willful in violation of 15
20 U.S.C. § 1117, thereby entitling AAA to treble damages, attorneys' fees, and costs.
21

22 39. Defendants' acts and conduct constitute federal service mark infringement that has caused
23 and, unless restrained and enjoined by this Court, will continue to cause a likelihood of consumer
24 confusion, mistake, and deception.
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27

1 40. AAA is entitled to damages because of Defendants' actions and conduct and, because
2 such damages alone do not provide AAA with an adequate remedy at law, AAA is entitled to
3 injunctive relief.

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5 **SECOND CAUSE OF ACTION**
6 **Unfair Competition by False Designation of Origin and Dilution**
7 **by Service Mark Infringement Under 15 U.S.C. § 1125(a) and (c)**

8 41. AAA re-alleges and incorporates by reference paragraphs 1 through 40 above.

9 42. On information and belief, Defendant ServiceMaster Restore is using the AAA mark with
10 the deliberate intent of capitalizing and trading on the goodwill and reputation of AAA.

11 43. Defendant ServiceMaster Restore's use of a confusingly similar mark in interstate
12 commerce in connection with its restoration services and insurance claims constitutes a false
13 designation of the origin and/or sponsorship of such services and falsely describes and represents
14 such services.

15 44. By its acts as alleged herein, Defendant ServiceMaster Restore has falsely designated and
16 represented services sold in commerce in violation of 15 U.S.C. § 1125(a), has used the goodwill of
17 AAA to sell Defendant's own services, has competed unfairly with AAA, and has harmed the
18 reputation of AAA in violation of 15 U.S.C § 1125(c).

19 45. Defendant ServiceMaster's control and approval, whether explicit or implied, of
20 ServiceMaster Restore's use of trademarks, specifically the use of "by AAA," renders it liable for
21 ServiceMaster Restore's improper use of "by AAA" in violation of 15 U.S.C. § 1125(a) and 15 U.S.C
22 § 1125(c).

23 46. Defendants, after due notice, have displayed a willful course of conduct toward
24 appropriation and destruction of AAA's rights in and to the AAA mark.
25
26

1 47. Defendants' wrongful acts and conduct as alleged herein have permitted or will permit
 2 them to generate substantial sales and profits on the strength of AAA's substantial advertising, sales,
 3 consumer recognition, and goodwill in connection with the AAA mark.

4 48. As a result of Defendants' wrongful acts alleged herein, AAA has suffered and will
 5 continue to suffer monetary damages in an amount not thus far determined.

6 49. Defendants' acts and conduct constitute unfair competition that has diluted the distinctive
 7 quality of the AAA mark and, unless restrained and enjoined by this Court, will continue to dilute and
 8 cause irreparable harm, damage, and injury to AAA's goodwill and business reputation.

9 50. AAA is entitled to damages because of Defendants' actions and conduct and, because
 10 such damages alone do not provide AAA with an adequate remedy at law, AAA is entitled to
 11 injunctive relief.
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14 **THIRD CAUSE OF ACTION**
 15 **Deceptive Trade Practices in**
 16 **Violation of Utah Code §§ 13-11a-1 et seq.**

17 51. AAA re-alleges and incorporates by reference paragraphs 1 through 50 above.

18 52. Defendant ServiceMaster Restore has adopted and is using a mark similar to the AAA
 19 mark in commerce in connection with its restoration services and with insurance claims.
 20 ServiceMaster Restor's use of that mark constitutes passing off of its services as those of or affiliated
 21 with AAA, and causes a likelihood of confusion or of misunderstanding as to the source, sponsorship,
 22 approval, affiliation, connection, association with, or certification of its services.

23 53. As evidenced by the letters sent by AAA to Defendants, and from general knowledge of
 24 AAA in the insurance industry, Defendants knew or should have known that the use of a mark similar
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1 to the AAA mark would cause purchasers to believe Defendants are associated or affiliated with or
2 sponsored by AAA.

3 54. The acts of the Defendants have caused immediate and irreparable damage to AAA's
4 goodwill.

5 55. Defendant ServiceMaster Restore acted willfully in its use of a mark similar to the AAA
6 mark.

7 56. Defendant ServiceMaster Restore's use of "by AAA" is misleading to the reasonable
8 consumer and thus constitutes Deceptive Trade Practices under Utah Code §§ 13-11a-1 et seq.

9 57. Defendant ServiceMaster's control and approval, whether explicit or implied, of
10 ServiceMaster Restore's trademarks, specifically the use of "by AAA," renders it liable for
11 ServiceMaster Restore's improper use of "by AAA" in violation of Utah Code §§ 13-11a-1 et seq.
12

13 58. As a result of Defendants' wrongful acts alleged herein, AAA has suffered and will
14 continue to suffer monetary damage in an amount not thus far determined.
15

16 59. Defendants' acts and conduct constitute deceptive trade practices that have caused and,
17 unless restrained and enjoined by this Court, will continue to cause irreparable harm, damage, and
18 injury to AAA's goodwill and business reputation.

19 60. AAA is entitled to damages as a result of Defendants' actions and conduct and, because
20 such damages alone do not provide AAA with an adequate remedy at law, AAA is entitled to
21 injunctive relief.
22

23 **FOURTH CAUSE OF ACTION**
24 **Unfair Competition by Trademark Infringement**
25 **in Violation of Utah Code §§ 13-5a-101 et seq.**

26 61. AAA re-alleges and incorporates by reference paragraphs 1 through 60 above.
27

1 62. Defendant ServiceMaster Restore has adopted and is using a mark similar to the AAA
2 mark in commerce in connection with its restoration services and with insurance claims. Such use has
3 been done with the deliberate intent of capitalizing and trading on the goodwill and reputation of
4 AAA, and will cause the relevant public and trade to believe erroneously that ServiceMaster
5 Restore's services are associated, authorized, sponsored or controlled by AAA.
6

7 63. As evidenced by the letters sent by AAA to Defendants, and from general knowledge of
8 AAA in the insurance industry, Defendants knew or should have known that the use of a mark similar
9 to the AAA mark would cause purchasers to believe Defendants services are associated or affiliated
10 with or sponsored AAA.

11 64. The acts of the Defendants have caused immediate and irreparable damage to AAA's
12 goodwill.
13

14 65. Defendant ServiceMaster Restore acted willfully in its use of a mark similar to the AAA
15 mark.

16 66. Defendant ServiceMaster Restore's use in commerce of "by AAA" in connection with
17 restoration services and with insurance claims constitutes unfair competition under Utah Code §§ 13-
18 5a-101 et seq.

19 67. Defendant ServiceMaster's control and approval, whether explicit or implied, of Service
20 Master Restore's use of "by AAA," renders it liable for ServiceMaster Restore's improper use of "by
21 AAA" in violation of Utah Code §§ 13-5a-101 et seq.
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23 68. As a result of Defendants' wrongful acts alleged herein, AAA has suffered and will
24 continue to suffer monetary damage in an amount not thus far determined.
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1 Dated: December 11, 2017

Respectfully submitted,

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3 LAUBSCHER, SPENDLOVE & LAUBSCHER, P.C.
ROBERT D. SPENDLOVE

4 By: /s/ Robert D. Spendlove
5 ROBERT D. SPENDLOVE

6 Attorneys for Plaintiff
7 AMERICAN AUTOMOBILE ASSOCIATION, INC.
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